



# **DAU Hot Topic Training Forum**

***“Better Buying Power Training to Meet Defense Acquisition Challenges”***



# **Increasing the Effective Use of Performance Based Logistics**



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**9 April 2013**



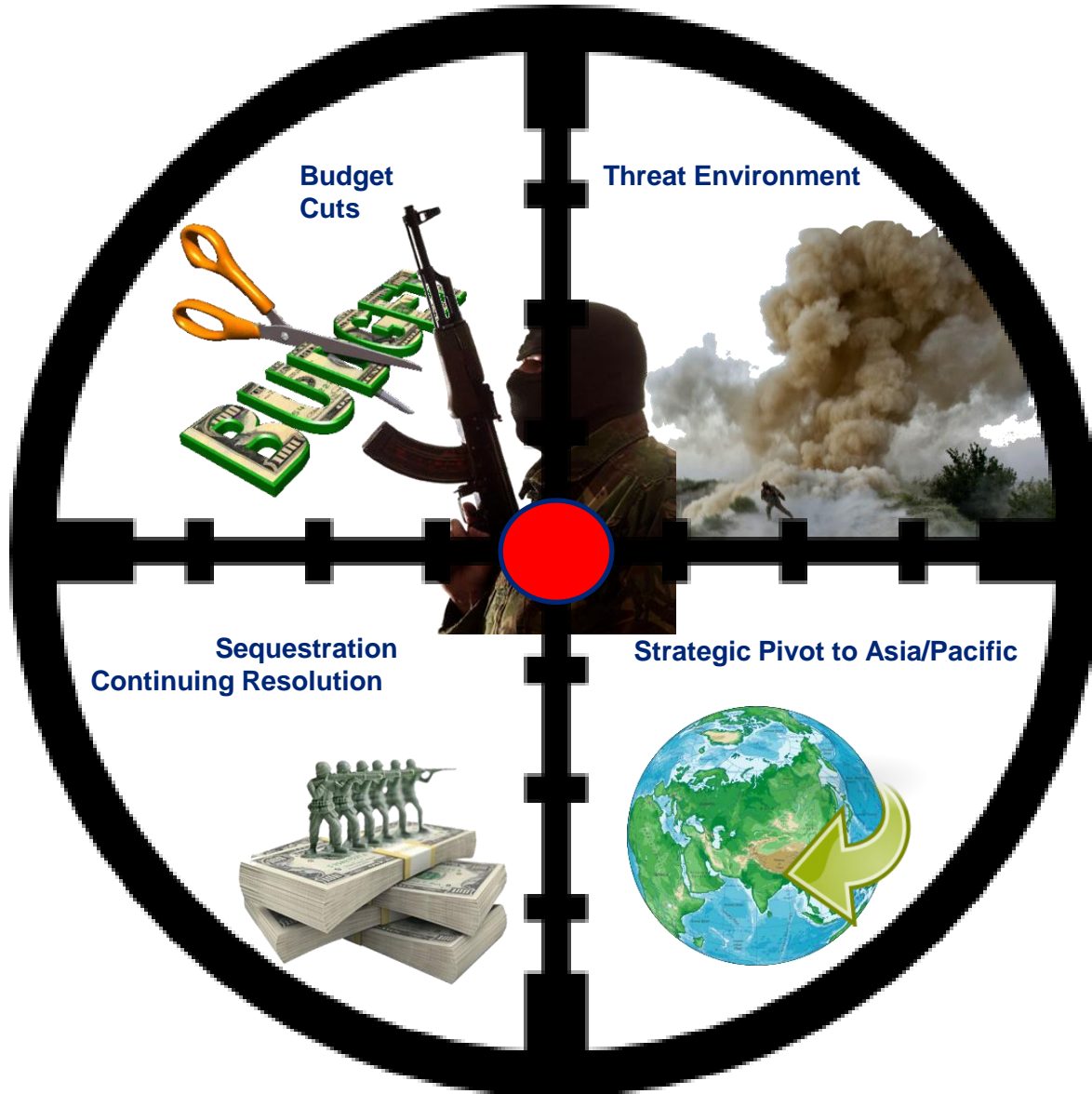


# Agenda



- **DoD Environment**
- **Better Buying Power (1.0 & 2.0)**
- **PBL Definition**
- **PBL Analysis**
- **PBL Tenets**
- **Product Support Policy, Guidance, & Tools**
- **Next Gen PBL**
- **Way Ahead**

# SIGHT-PICTURE ON Current environment





# Better Buying Power



Sep 14, 2010

## Dr. Carter memo to Acquisition Professionals



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

SEP 14 2010

### MEMORANDUM FOR ACQUISITION PROFESSIONALS

SUBJECT: Better Buying Power: Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending

On June 28, I wrote to you describing a mandate to deliver better value to the taxpayer and warfighter by improving the way the Department does business. I emphasized that, next to supporting our forces at war on an urgent basis, this was President Obama's and Secretary Gates' highest priority for the Department's acquisition professionals. To put it bluntly: we have a continuing responsibility to procure the critical goods and services our forces need in the years ahead, but we will not have ever-increasing budgets to pay for them. We must therefore strive to achieve what economists call productivity growth: in simple terms, to DO MORE WITHOUT MORE. This memorandum contains specific Guidance for achieving the June 28 mandate.

Secretary Gates has directed the Department to pursue a wide-ranging Efficiencies Initiative, of which this Guidance is a central part. This Guidance affects the approximately \$400 billion of the \$700 billion defense budget that is spent annually on contracts for goods (weapons, electronics, fuel, facilities etc., amounting to about \$200 billion) and services (IT services, knowledge-based services, facilities upkeep, weapons system maintenance, transportation, etc., amounting to about another \$200 billion). We estimate that the efficiencies targeted by this Guidance can make a significant contribution to achieving the \$100 billion redirection of defense budget dollars from unproductive to more productive purposes that is sought by Secretary Gates and Deputy Secretary Lynn over the next five years.

Since June, the senior leadership of the acquisition community – the Component Acquisition Executives (CAEs), senior logisticians and systems command leaders, OSD officials, and program executive officers (PEOs) and program managers (PMs) – has been meeting regularly with me to inform and craft this Guidance. We have analyzed data on the Department's practices, expenditures, and outcomes and examined various options for changing our practices. We have sought to base the specific actions I am directing today on the best data the Department has available to it. In some cases, however, this data is very limited. In these cases, the Guidance makes provision for future adjustments as experience and data accumulate so that unintended consequences can be detected and mitigated. We have conducted some preliminary estimates of the dollar savings anticipated from each action based on reasonable and gradual, but steady and determined, progress against a clear goal and confirmed that they can indeed be substantial.

Changing our business practices will require the continued close involvement of others. We have sought out the best ideas and initiatives from industry, many of which have been adopted in this Guidance. We have also sought the input of outside experts with decades of experience in defense acquisition.

*“....Those who hesitate to go down the road to greater efficiency must consider the alternative: broken or cancelled programs, budget turbulence, uncertainty, and unpredictability for industry, erosion of taxpayer confidence that they are getting value for their defense dollar and, above all, lost capability for the warfighter in a dangerous world.”*



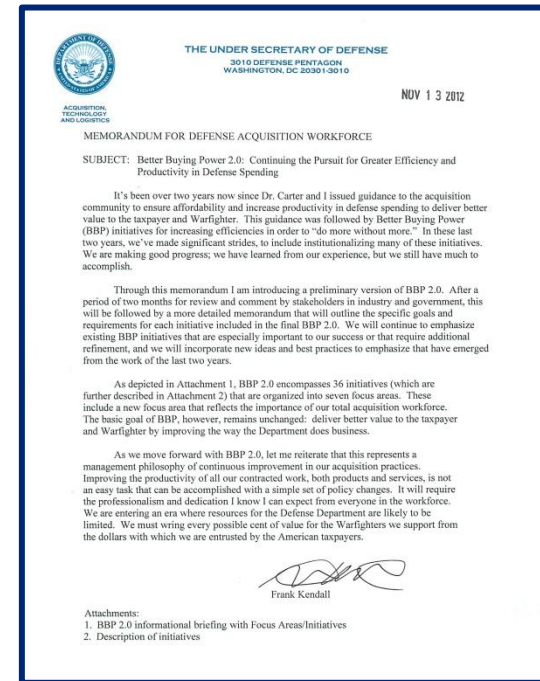


# Better Buying Power 2.0 & PBL



- Achieve Affordable Programs
- Control Costs Throughout the Product Lifecycle
- **Incentivize Productivity & Innovation in Industry and Government**
  - **Increase effective use of Performance-Based Logistics:**

“There is sufficient data on the effectiveness of PBL at reducing cost and improving support performance to conclude that if it is effectively implemented and managed, PBL yields significant benefits. Key activities include increasing the knowledge base of PBL through standard processes, tools, and training”



- Eliminate Unproductive Processes and Bureaucracy
- Promote Effective Competition
- Improve Tradecraft in Acquisition of Services
- Improve the Professionalism of the Total Acquisition Workforce

## **PBL $\neq$ CLS**

**Performance Based Logistics (PBL) – An**  
***outcome based product support strategy that***  
***plans and delivers an integrated, affordable,***  
***performance solution designed to optimize***  
***system readiness for the warfighter***

**Balances Warfighter readiness and affordability**

# Why PBL's?

1998

- **Weapon System Platform and Major Component Issues**
  - **Availability** of assets generally **dismal** across the Department
    - Reliability & maintainability impacted
  - **Costs** to sustain **high** and **out of control**
    - Transactional sustainment
    - Financial incentives not aligned to life cycle affordability for DoD or industry
  - Disjointed Metrics
  - **Risks borne** almost exclusively by **DoD**

- **Proposed answer: Embrace Performance Based Logistics sustainment strategy**

- **Deliver performance** versus services and material
- **Incentivize** desired PBL provider **behavior**:
  - Align DoD and PBL providers interests
  - Drive risk down -- share risk with PBL providers
  - Drive performance up - Drive cost down

**Tie Providers' Performance To Warfighter Mission Effectiveness**



# Have PBLs Delivered on Expectations?



DoD's *Sense of the PBL Experience*: 1998 –2012

- Readiness impact distinctly positive
- Benefit/cost ratio questionable

*No data driven, fact-based analyses documenting impact of PBLs on cost*  
MR & Deloitte Team chartered to address gap & end debate

## Proof Point Study

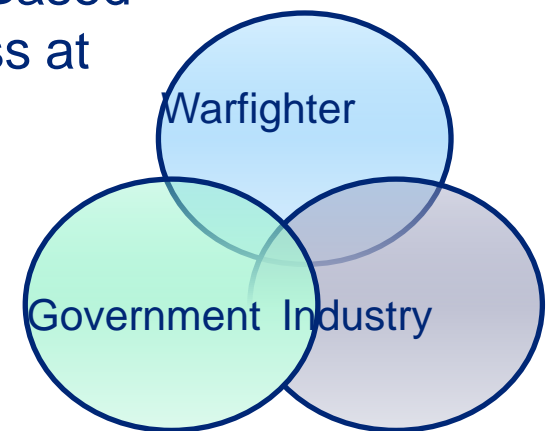
- Hypothesis: Sustaining materiel via Performance Based Logistics arrangements delivers improved readiness at reduced life cycle costs

### ✓Phase I Methodology:

- 10 “Middle Dives”
- 1 “Deep Dive”

### ✓Phase II Methodology:

- 6 “Middle Dives”
- 5 “Deep Dives”



Properly Structured & Executed PBLs = Increased Readiness at Reduced Costs





# Proof Point Recap - Bottom Line



- **Analyses provided conclusive evidence that:**
    - Properly structured and executed, PBLs reduce Services' cost per unit-of-performance while simultaneously driving up absolute levels of system, sub-system and component readiness
  - **Savings potential**
    - Avg annual savings for programs with generally sound adherence to PBL tenets is 5-20% over the life of the PBL arrangement compared to transactional support
  - **The Annual DoD Logistics Spending is ~ \$171B\***
    - \$79.5B in maintenance
    - \$68.4B in supply
    - \$23.1B in transportation
- These are the primary areas PBL can improve
- **< 5% of DoD systems, sub-systems and components covered by a PBL**

**“PBLs Are A Home Run -  
We Just Need To Make Sure We Get The Deal Right”**



# Conclusion Supported by Four Tiers of Evidence

## Empirical Evidence

- 20 of 21 PBLs analyzed experienced performance improvements over the life of the PBL , including ones with limited adherence to generally accepted PBL tenets
- 14 of 15 PBLs analyzed with at least moderate adherence to generally accepted PBL tenets resulted in both cost and performance improvements.

–The 15<sup>th</sup> PBL experience indeterminable cost impact

## Statistical Point of Proof with a Defined Level of Confidence

- PBLs have successfully reduced costs per unit of performance while simultaneously driving up the absolute levels of system, sub-system and component readiness/availability
- PBLs have incentivized PBL provider behavior that delivered superior sustainment pricing and performance for systems, sub-systems and components

## Compelling Evidence

- Sustainment provider behavior is directly linked to the incentives embedded in their contracts – the military Services set the contractual arrangement
- Services get outcomes for which they contract/incentivize
- Well-crafted PBL contracts “manufacture competition” by incentivizing companies to compete against internal waste and quality challenges to drive up quality (thereby reducing demand for maintenance) and drive down repair process, labor and material costs.

## Preponderance of Evidence

- Appropriate term contracts that provide assured revenue streams and contain well-crafted cost and performance incentives drive predictably positive outcomes for the Services

## Criteria

- Generally accepted PBL tenets
- Core to contract structure
- Directly related to cost and performance
- Observable from data and information gathered during analysis



## Program X

Overall Score: ●

### PBL Robustness

Contract type incentivizes cost reduction behavior and shares the risk from the government to the provider	●
Incentives and/or penalties aligned to support desired outcome(s) (Key Performance Indicators)	●
Key Performance Metric(s) manageable and measurable	●
Agreed upon Key Performance Metric target level(s) for cost, reliability, and availability	●
Contract length appropriate to support recovery of investments	●

### Characteristics

#### Cost

PBL	Non-PBL
<ul style="list-style-type: none"> <li>• Firm Fixed Price</li> <li>• 5 year base</li> <li>• one 3 year option</li> <li>• one 2 year option</li> </ul>	N/A

#### Performance

PBL	Non-PBL
<ul style="list-style-type: none"> <li>• Performance metric defined with target levels established</li> <li>• Incentive fees aligned to performance outcomes</li> <li>• Manageable number of metrics</li> </ul>	N/A

### Results

Performance targets met   
 Price per flight hour decreasing 






























## PBL Tenet: Contract length appropriate to support recovery of investments

<b>Non-PBL: Traditional Approach</b>	●	<ul style="list-style-type: none"> <li>• Contracts are for a short-term horizon (i.e., one year at a time) with little commitment to out-year contract award</li> </ul>
<b>Better: Elements of PBL</b>	●	<ul style="list-style-type: none"> <li>• Multiple year contract terms with minimal base period (i.e., one year) and maximum option years with some confidence in exercising option years; allows supplier to make rational commitment to performance-improving investments with expectation of earning back investment.</li> </ul>
<b>Best Practice: Robust PBL</b>	●	<ul style="list-style-type: none"> <li>• Contract length is commensurate with payback period for supplier's investments</li> <li>• Longer term contracts encourage long-term investment to improve product or process efficiencies</li> <li>• Contracts are typically multi-year or multiple year (i.e., 5 years with additional option or award term years), with high confidence level for exercising options/award term years</li> <li>• Provisions provided to recognize supplier investment and provide opportunity for recoupment</li> </ul>

# Summary Findings

Program	Type	Robustness	Contract Length	Contract Type	Cost	Performance
	Sub-System	●	5 years	Firm Fixed Price	↓	↑
	Sub-System	●	5 year, one 3 year & one 2 year options	Firm Fixed Price	↓	↑
	Component	●	5 year base, two 5 year options	Firm Fixed Price	↓	↑
	Sub-System	●	5 year base, one 5 year option	Firm Fixed Price	↓ ■	↑ ■
	Sub-System	●	4 years	Firm Fixed Price	↓	↑
	System	●	5 years	Firm Fixed Price	↓	→ *
	Sub-System	●	1 year, 9 option years	Firm Fixed Price	↓	→ *
	Component	●	5 month base, 7 option years	Firm Fixed Price	↓	↑
	System	●	5 years	Firm Fixed Price Award Fee	↓	↑
	Sub-System	●	5 years, one 5 year option	Firm Fixed Price	↓	↑
	System	●	5 years	Firm Fixed Price	Indeterminable	↑

# Summary Findings

Program	Type	Robustness	Contract Length	Contract Type	Cost	Performance
	System		~ yearly	Cost Plus Incentive Fees		
	Sub-System		5 years	Firm Fixed Price		 *
	System		6 year base, 6 option years	Cost Plus Award Fee		
	System		1 base year 7 option years	Fixed Price Award Fee; Cost Plus Incentive Fee		 *
	System		5 years, with option years	Firm Fixed Price		
	System		1 year base, 7 option years	Fixed Price Incentive Fee		 *
	System		1 year	Firm Fixed Price		
	System		1 year	Cost Plus Incentive Fee/ Cost Plus Award Fee		 *
	System		1 year	Not Applicable	Indeterminable	 *
	System		1 year	Cost Plus Fixed Fee		 *



# Analysis Results

## Example

### Price to Service Per Year

Program Name

Provider and Service

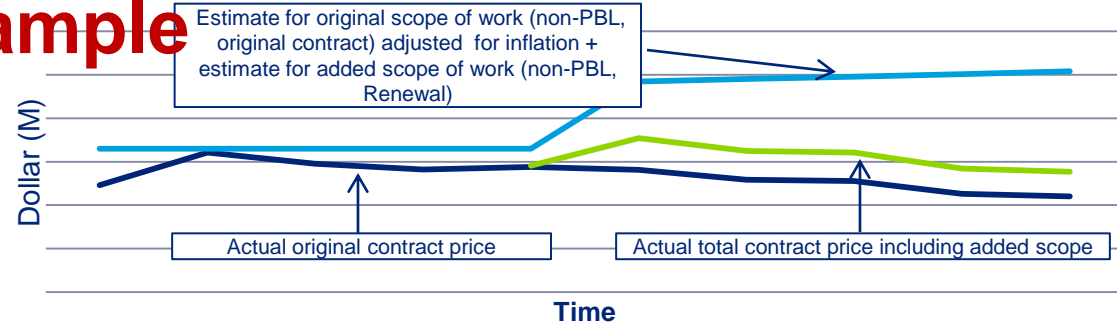
Definition of System  
Population: 700 plus

### The Basics

PBL Coverage	Sub-System
PBL Initiated	February 20XX
Contract Type	Firm Fixed Price w/ availability payment adjustments
Contract Number	2
Contract Coverage	Xxxx-xxxx (Original) Xxxx-xxxx (Wider Scope)
Pre-PBL Support?	Yes

Key Metrics	Material Availability Req. Response Time Material Reliability
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Image

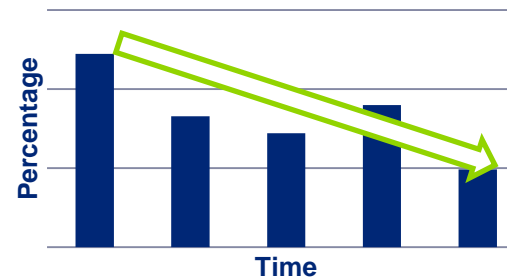


### Performance

Material Availability:  
Percentage of Request Delivered On Time



### Priority 1-3 as a % of Unclassified Requisitions



### Key Observations

- Decreased cost:
  - Original scope :XX%
  - Gross savings ~\$XXM\* versus Non-PBL across both contracts
- Increased performance by ~XX%
- Asset availability and strong performance on low priority reqs driving down high priority reqs

\* Assumption: calculated from an inflation rate

# Analysis Results

## Program Name

## Example

## Original Contract

### Provider Name and Service Name

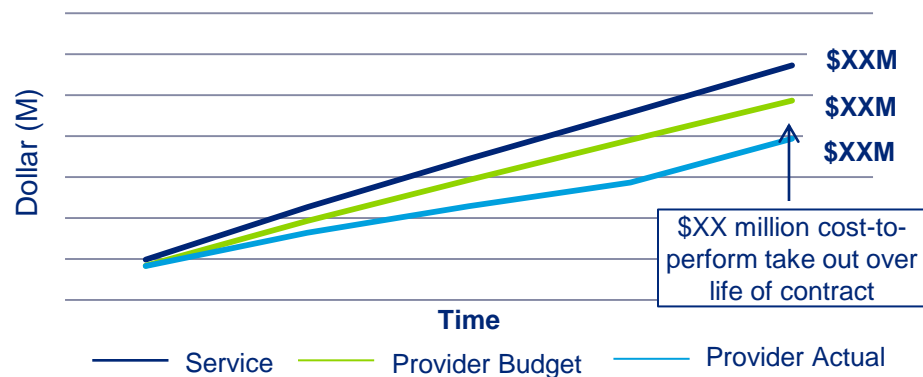
### Forecasted Price to Service and Cost to Perform

Non-PBL Support



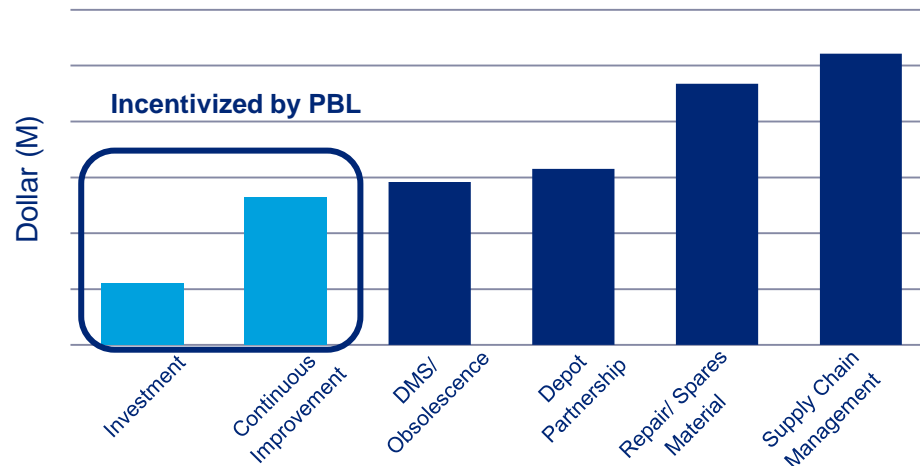
### Actual Price to Service and Budgeted/Actual Cost to Perform

PBL Support

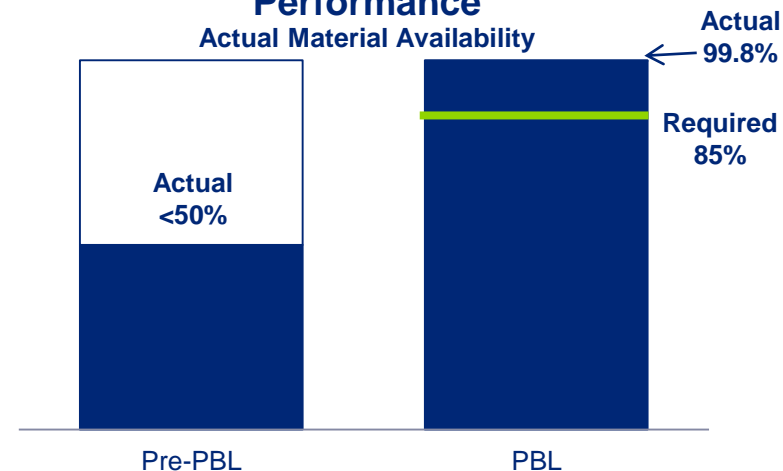


**\$XXM Service Savings: PBL Actual-v-Non-PBL Forecast**

### Cost to Perform by Sector



### Performance



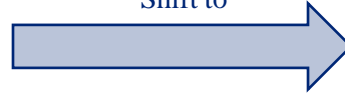
**~ 50% Performance Improvement**

# A Paradigm Shift is Indicated

## Traditional View

Only competition *among* several entities can result in superior product performance and pricing

Shift to



## New View

Cost pressures *within* a single entity – specifically in a monopoly or oligopoly structure – can *also* drive superior product performance and pricing

## PBLs Embody New View

- PBL providers delivering known levels of performance at firm-fixed-prices can only maximize their financial well-being (net operating revenue, profitability, shareholder value) by leaning-out processes to minimize overall costs-to-perform and investing to drive up product quality and extend Mean Time Between Failure
- PBL contracts afford DoD the opportunity to enjoy these benefits over the life cycle of weapon systems

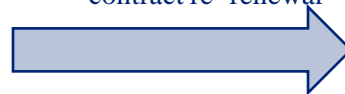
## Demonstrated in Practice

### PBL Provider

- Accepted financial and performance risks inherent in a firm-fixed-price PBL contract
- Spent \$XX on internal improvements
  - \$XX on quality and product investments
  - \$XX on process improvements
- Realized enhanced profit realized as investments and process improvement initiatives took effect during the course of the contract

PBL provider's financial gains shared with Service as a result of:

1. Implementing PBL rather than non-PBL contracts
2. Conducting negotiations at contract re- renewal



### Military Service

- Price to Service reduced in second contract – performance dramatically improved
  - Price to the Service over the life of two PBL contracts XX% less than calculated non-PBL price
  - Material Availability improved from <50% pre-PBL to 99.8% by the of the first contract and tightening of performance requirement to 100% for renewed contract



# Fundamental PBL Tenets



- Produce **OUTCOMES**, not **OUTPUTS**
- Performance is a package, vice transactional goods and services
- Document performance, support, resource requirements in Performance Based Agreements (PBAs)
- Establish Product Support Integrators (PSIs) to integrate and manage all (contract and organic) sources of support
- Establish incentives to promote “win-win” relationships and achievement of performance outcomes
- Leverage public-private partnerships (PPP) to make best use of organic and commercial capabilities in long-term collaborative relationships
- Contract terms provide for long-term (5+ years) relationships
- Funding provisions incentivize investment
- Contractor assumes higher risk but risk is offset by flexibility and reward opportunities
- Metrics are few, generally five or less

**The Essence of PBL is Obtaining Performance Outcomes,  
NOT Individual Parts & Repair Actions**



# Why PBL Works



- DoD obtains comprehensive performance package
  - Not individual parts, transactions, or “spares & repairs”
- Approach totally reverses vendor incentive
  - Fixed price **“pay for performance”** arrangements motivate vendor to reduce failures/ consumption
  - Incentivizes **“less I use, the more profit I can make”** vice a “more spares and repairs I can sell, the more profit I can make” mentality
  - Long term commitment enables vendor to balance risk vs. investment
- Improves Parts Support
  - Material availability increases + Logistics Response Time (LRT) decreases resulting in Improved Readiness
- Optimizes Depot Efficiency
  - Repair Turn Around Time (RTAT), Awaiting Parts (AWP), & Work in Process (WIP) decrease
- Incentive to Invest in Reliability
  - Mean Time Between Failure (MTBF) improves
- Incentive to Invest in DMSMS & Obsolescence Mitigation, Improve Repair Processes, Reduce Costs, and Support the Warfighter

**Focus on the Performance “End-State” ... NOT the “How To”**



# Performance based Logistics



## SUCCESS FACTORS:

- Knowledgeable team
- Organizational alignment
- Win-Win-Win business model
- Leverage strengths
- Effective supply chain integration & asset management
- Right balance: risk, cost, performance
- Statement of objectives vs. statement of work
- Right incentives – critical few
- Proper contract length
- Off-ramps

**Properly Structured, Priced & Executed PBLs = Increased Readiness at Reduced Costs**



# Institutionalizing What Good PSMs Know about PBL




- Bring In ALL Stakeholders Early in the Process
- Empower your Product Support Manager **(team)** to Develop & Execute
- Strategy Must be (Re)validated by an Iteratively Performed BCA
- Get Senior Level Sponsorship and Establish an IPT with Empowered Members
- Understand the Requirement and Develop a Few, Simple Metrics With Dependable Measurement Tools
- Establish Trust and Eliminate Adversarial Relationships Between Government and Industry
- Leverage Public-Private Partnerships (PPP)
- Don't Take No for an Answer – be Persistent






# Product Support Policy, Guidance, Tools & Training Repository

## PRODUCT SUPPORT




**Policy**

Statutory requirements, DoD policy, and Service-specific policy



**Guidance**


Guidebooks and Manuals



**Tools & Training**


Life cycle charts, document outlines, references, and more

## PRODUCT SUPPORT




**Policy**

- Acquisition Policy Repository
- Better Buying Power
- DTM 10-015
- DTM 11-003
- DoDD 5000.01
- DoDI 5000.02
- LCSP Outline
- Public Law 111-84, Section 805
- Statutory (Title 10 Armed Forces)
- Sustainment Governance
- Additional Policy




**Guidance**




**Tools & Training**

## PRODUCT SUPPORT




**Policy**



**Guidance**

- BCA Guidebook
- Defense Acquisition Guidebook
- DMSMS Guidebook
- IPS Element Guidebook
- JCIDS Manual
- LA Guidebook
- MIL-HDBK-502
- O&S Cost Mgmt Guidebook
- Partnering Guidebook
- PSM Guidebook
- RAM-C Manual



**Tools & Training**

## PRODUCT SUPPORT



**Policy**



**Guidance**



**Tools & Training**

- ACQuipedia
- Continuous Learning
- DoD Product Support Chart
- GEIA-STD-0007
- Integrated Life Cycle Chart
- LCSP Template
- PBL Toolkit
- PM e-Tool Kit
- Product Support Analytical Tools
- Product Support Assessment
- PSM References
- Training
- Additional Tools

<https://acc.dau.mil/productsupport>



# PBL Learning Assets



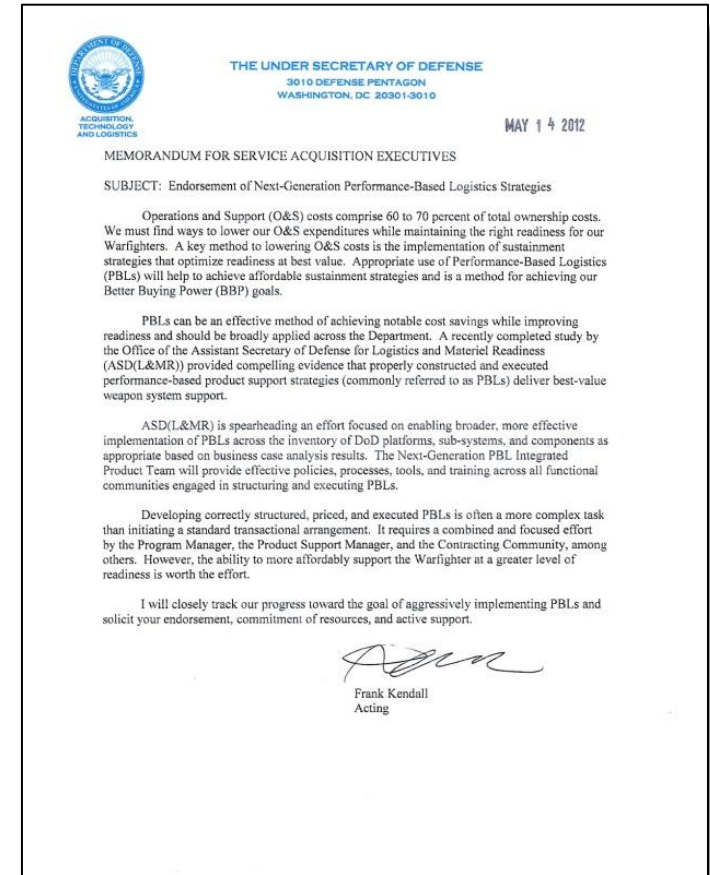
- **Courses**
  - LOG 235 – Performance Based Logistics
  - LOG 340 – Life Cycle Product Support
- **Continuous Learning Modules**
  - CLL 011 – Performance Based Life Cycle Product Support
  - CLL 006 - Depot Maintenance Partnering
- **Performance Learning Tools**
  - PBL Community of Practice
  - PSM Toolkit
  - DoD Integrated Product Support Implementation Roadmap
  - New Multi-Disciplinary PBL Ask-a-Professor Capability

**Existing Tools for the PBL Practitioner include  
Resident and On-line Delivery Courses**



## Objectives:

- **Structure and execute PBLs effectively:** Results in right performance at best value; lower life cycle cost
- **Change culture:** Need understanding & buy-in from Stakeholders – Services, Functional Communities, and Industry
- **Enable workforce:** Align policy, processes, tools, and training across all functional communities



**Services' & Industry working with OSD as joint advocates for Next Generation PBL Sustainment Strategies**



# Next Gen PBL IPT Projects



## Work Streams

- NG PBL Strategy
- Communication Activities
- Model Templates
- Standard and Repeatable Process
- PBL CoP
- Metrics
- Policy and Guidance Analysis / Update

## Progress

- Strategy Doc to Services for Review
- 40+ Proof Point Briefings & PBL Discussions w/Senior DoD Leadership
- PBL Best Practices (Rev 0) and Lessons Learned Report Complete
- PBL Simulation Work Shop Completed
- Model Templates
  - LAV ITSS BCA Underway
  - F101 Diagnostic Complete
  - RTCH Discussions Underway
  - ANY/UQ70
- PBL CoP



# PBL Community of Practice (CoP)



Performance Based...



## Performance Based Logistics Community of Practice

Community

Conduct a Search   Ask a Question   Add Content   Other Actions

Search

Content & Member Profiles   All Communities

Main View   All Contributions   What's New   Q & A   Blogs   Members

Welcome



Links of Interest



- New Interdisciplinary **PBL CoP** launched 1 Feb 13
- Shortcut Link: <https://acc.dau.mil/pbl>
- Designed to be a cross-functional community
  - Not just for “loggies” – CoP is a resource for acquisition, contracting, and program management communities
  - Government and Industry encouraged to participate and support

## Contents -

- Key Tenets, Enablers & Stakeholders
- Definition & Overview
- Value Proposition & Benefits
- Policy & Guidance
- Award Winning Programs
- Project Proof Point & BBP 2.0
- Proven Practices & Service Initiatives
- Tools & Training and Reference Library

# It's All About Leadership

- Top-level Leaders: Provide vision and strategic guidance
- OSD and Service Department senior leaders: Refine and define goals - provide clear guidance and direction
- Leaders at all levels: Articulate and execute bosses' intent
- Leaders throughout Government and Industry: Find innovative solutions



**LEAD BY EXAMPLE**



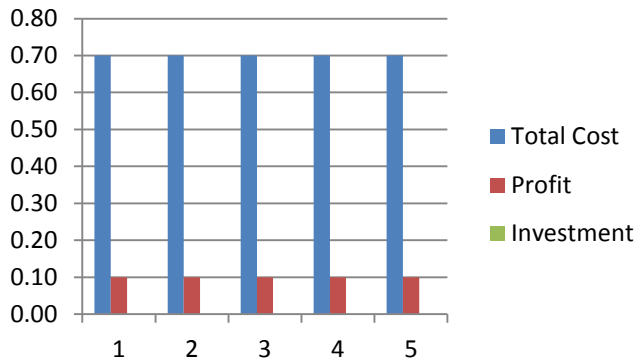


# Questions/Discussion





## Spend, profit and cost -Transactional

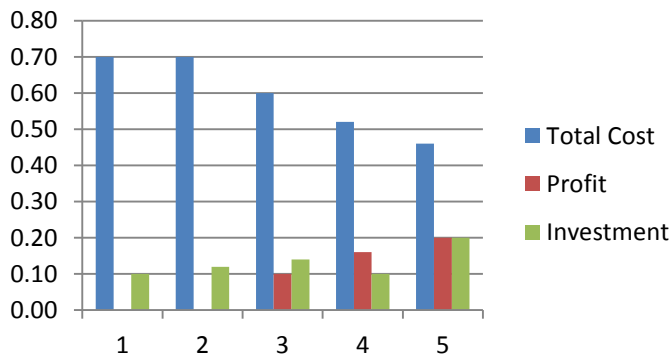


## Impact of a Performance Based Governance Structure

### Key points:

1. Price remains the same (or decreases)
2. While profit is low in PBL to start with, it ends up high
3. Limited or no investment in traditional
4. At the end of the contract period (year 5) the cost under transactional remains the same (or increases)
5. Cost on PBL decreases
6. Cost is the greatest predictor of future price
7. Cost is related to investment
8. Investment is related to profit

## Spend, profit and cost - PBL



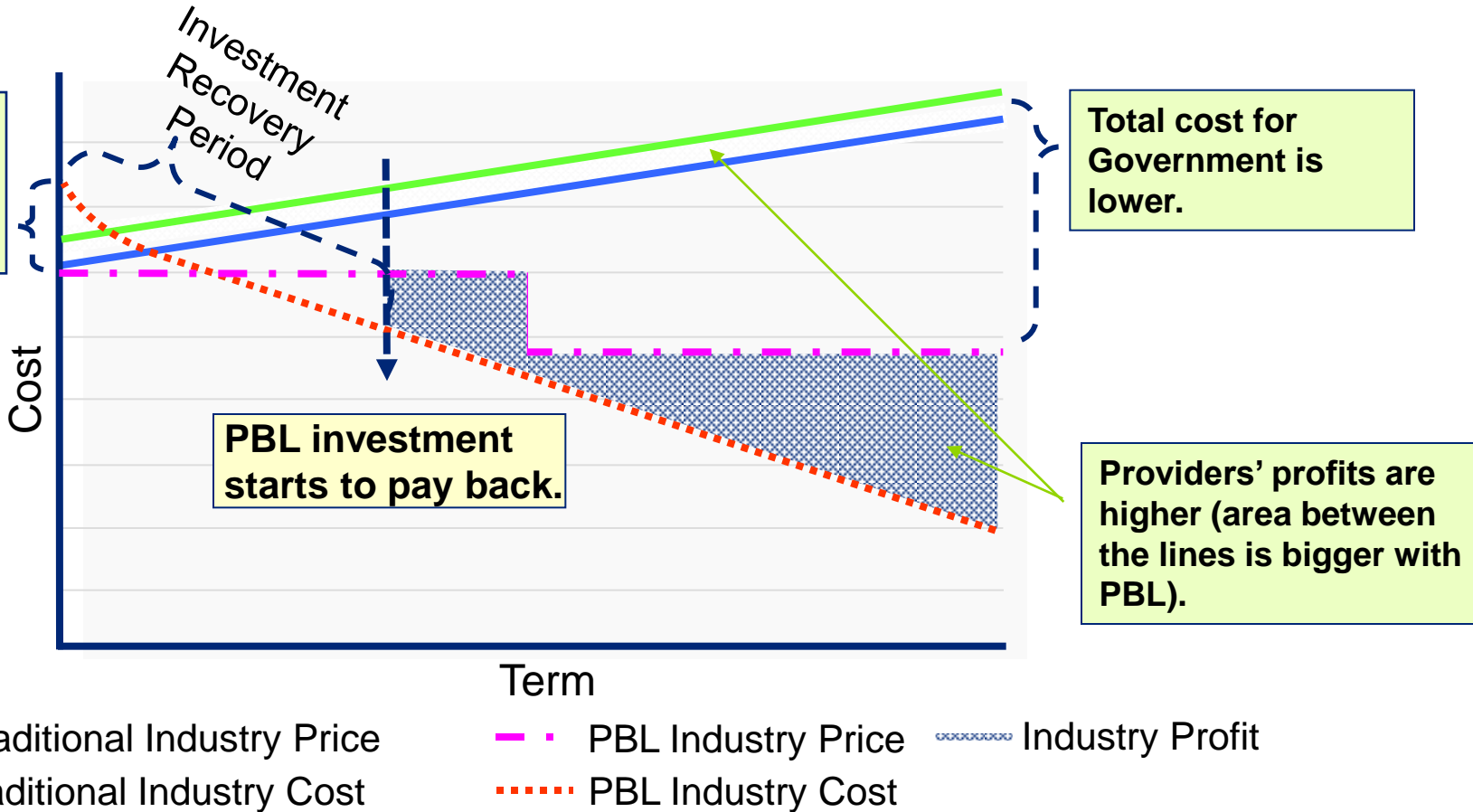
Publicly Available Information

Source: U.S. NAVAIR

Proprietary: Wesley S. Randall, Ph.D. working papers strategy, innovation, governance, and spend study – 2010

Concepts and relationships based on initial findings

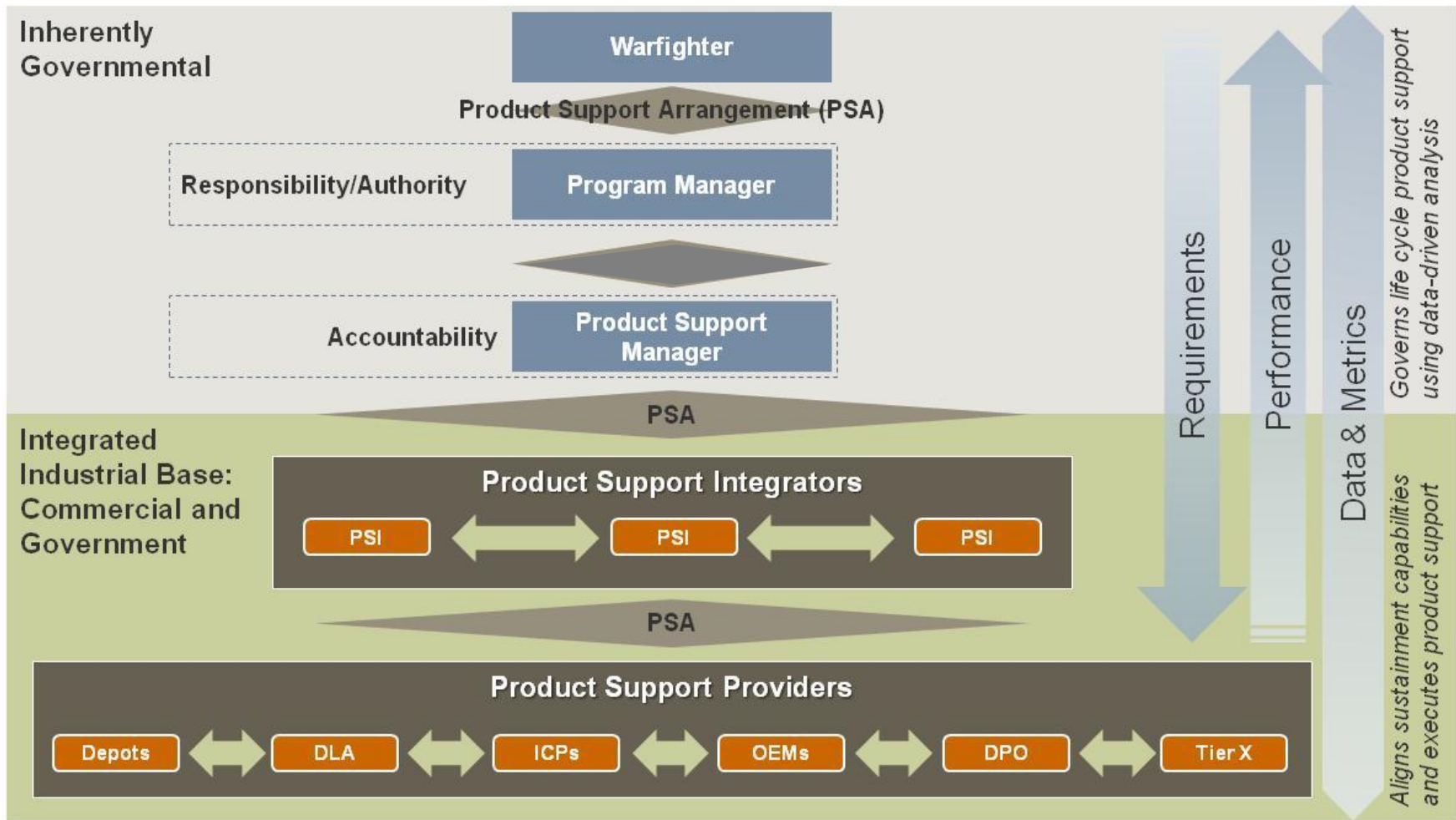
## Traditional vs. Performance-Based Contract



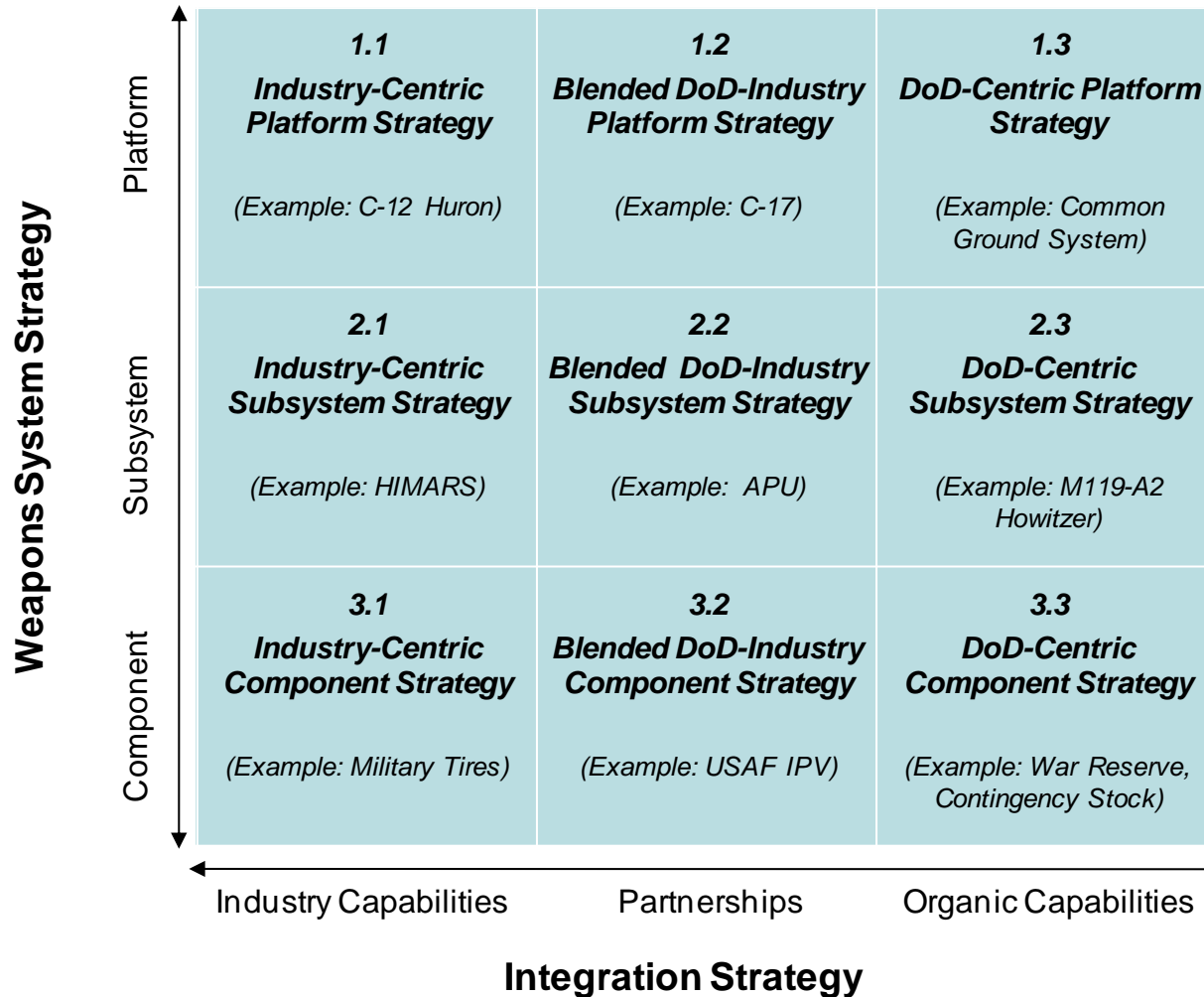
**Contract duration incentivizes investment in reliability and service**

*\*Notional Example*

# Product Support Business Model



**“A model template for a weapon system support strategy that drives cost-effective performance and capability for the Warfighter across the weapon system life cycle and enables most advantageous use of an integrated defense industrial base”**



**One Size Does Not Fit All...**



# Product Support Manager



## Life Cycle Management and Product Support FY 2010 NDAA, Sec 805 (Conference Report)

**Requirement:** The SecDef shall require that each major weapon system be supported by a product support manager

**Responsibilities:** The PSM shall:

- Develop and implement a comprehensive PS strategy
- Conduct appropriate cost analyses
- Assure achievement of desired PS outcomes and implementation of appropriate PS arrangements
- Adjust performance requirements and resource allocations across PSIs and PSPs to optimize implementation of the PS strategy
- Periodically review PS arrangement between the PSIs and PSPs
- Revalidate the BCA prior to change in PS strategy or ever 5 years, whichever occurs first

# PSM (Continued)

**PSM References & Resources:** <https://acc.dau.mil/psm>

- Develop and implement a comprehensive product support strategy
- Conduct appropriate cost analyses to validate the product support strategy (BCA)
- Assure achievement of desired product support outcomes through product support arrangements
- Optimize implementation of the product support strategy (i.e. balance war fighter effectiveness and affordability - PBL)
- Periodically review product support arrangements between PSIs and PSPs for consistency with the overall product support strategy
- Prior to changing the product support strategy or every five years, revalidate the BCA / product support strategy



**PSM Is Responsible For The Development, Implementation, And Execution Of Life Cycle Sustainment Solution**





# PSM (*Continued*)

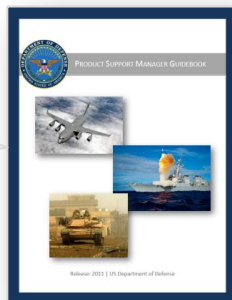


- With rare exception, every product support strategy is dependent upon both organic and commercial industry support
- The job the PSM) is to achieve an effective product support strategy that delivers warfighter operational readiness by determining:
  - Best blend of public and private resources
  - Partnering relationship between those entities

Source: PSM Guidebook

# Products To Assist the PSM

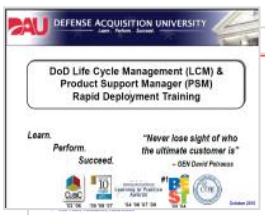
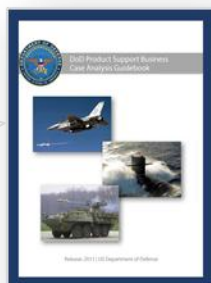
**PSM Guidebook**  
<https://acc.dau.mil/psm-guidebook>



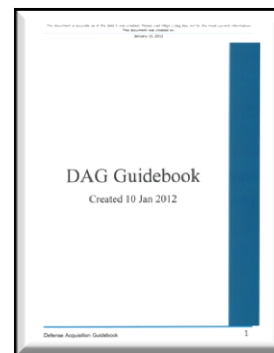
**Log Assessment Guidebook**  
<https://acc.dau.mil/la-guidebook>



**BCA Guidebook**  
<https://acc.dau.mil/bca-guidebook>



**DAU PBL Learning Aids**



**DAG Chapter 5**  
<https://acc.dau.mil/CommunityBrowse.r.aspx?id=489744>



**Draft DoDI 5000.02 Product Support Enclosure**



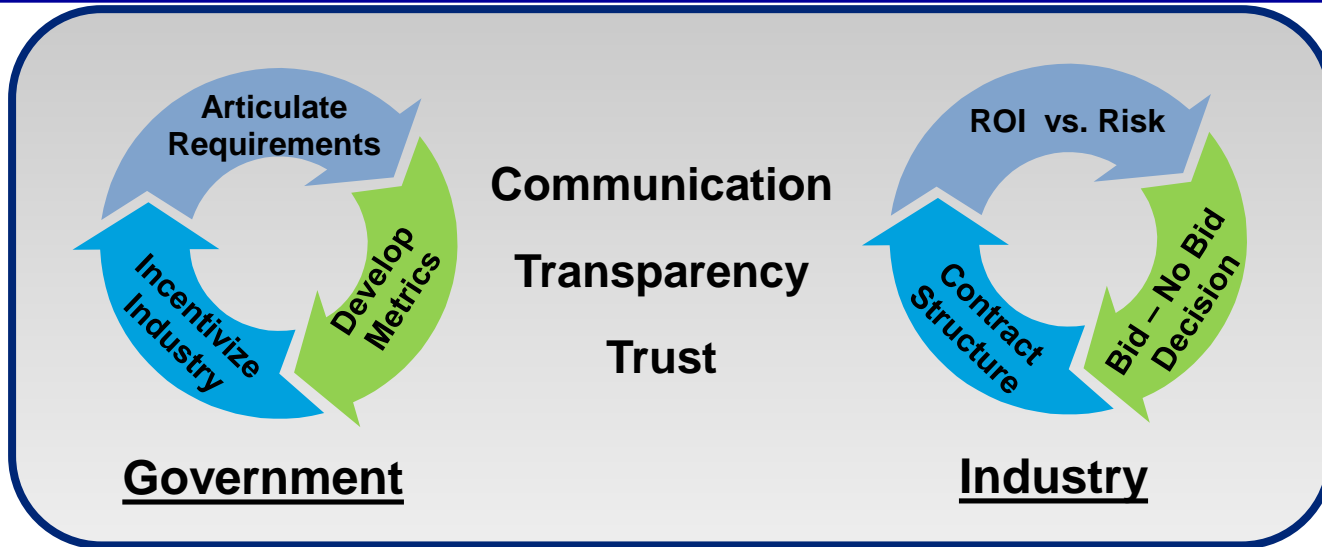
**Analytical Tools**  
<https://acc.dau.mil/psa-tools>



**Prod Support Element Guidebook**

**Overarching Link <https://acc.dau.mil/psa-tools>**

# PBL Simulation Results



## Key Take-Aways

### PBL Knowledge Base

- Pockets of PBL knowledge and experience, but not extensive
- Industry appeared well versed in PBL tenets and how best to respond to them

### Business Model

- Government contract actions were taken without a full understanding of the value to government and reactions by industry
- Industry required to clearly articulate value propositions; reduced risk and gained market share by teaming

### Transparency and Trust

- Limited communication and collaboration; lack of PBL Champions
- Both Industry and Government communications were hampered by mistrust and competitive positioning

**There have been pockets of PBL excellence in all Services – however we need to more broadly improve expertise in the future**



# PBL Strategy Document

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The Strategy Document is a combined strategy document and implementation plan for more broadly implementing effective Performance Based Logistics strategies across the DOD that deliver best value solutions to satisfy warfighter requirements

Three Broad Goals for success:

1. Cultivate an enabling environment
2. Document well-developed processes & tools
3. Create a critical mass of PBL professionals